

REMARKS

Applicants have studied the Final Office Action dated February 4, 2009. Independent claims 58, 64, and 70 have been amended. Claims 76-85 have been added. Claims 58-85 are pending. Entry of the present response is therefore respectfully requested and reconsideration and allowance of the pending claims in view of the above amendments and the following remarks are respectfully requested.

In the Office Action, the Examiner:

- Rejected claims 58-75 under 35 U.S.C. §103(a) as being unpatentable over Hogan (U.S. Patent 6,315,193) in view of Macias (U.S. Patent Application Publication No. 2002/01116324).

Amendment to the Abstract

The abstract has been amended to reflect the embodiments of the invention to which the claims are directed. Specifically, the abstract has been amended to recite:

The prepaid card customer creditworthiness is made based on deposit history into the prepaid card account. Factors to determine whether credit line is established at a time of of a purchase transaction includes one or more of: i) a point of sale classification of a geographical location for the purchase transaction; ii) a transaction classification of a type of goods or services requested for purchase; iii) a transaction classification of the type of goods or services requested for purchase are regularly purchased by the consumer; and iv) employment validation.

Support for this amendment to the specification is found at least in paragraphs [0021] through [0032] with emphasis on paragraph [0021], [0025], [0027] and [0032]. No new matter has been added.

Rejection Under 35 U.S.C. 35 U.S.C. §103(a) over Hogan and Macias

As noted above, the Examiner rejected claims 58-75 under 35 U.S.C. §103(a) as being unpatentable over Hogan (U.S. Patent 6,315,193) in view of Macias (U.S. Patent Application Publication No. 2002/01116324). The Applicants respectfully point out there appears to be a typo in the Office Action page 4, regarding Macias. The Applicants interpret that U.S. Publication No. as 2002/0116324 not 2002/01116324 as written in the Office Action.

Before further discussing the Hogan and Macias references, it is believed that a brief review of the present invention would be helpful. As described in the Abstract, embodiments of the present invention are directed to whether a prepaid card customer is credit worthy by analyzing deposit and purchase transactions associated with the account of the customer. The funds are only accessible by the prepaid card. Credit is advanced on prepaid card purchases in response to the determination of creditworthiness. Prepaid card credit granting and repayment is made available to other financial institutions for the establishment of more conventional credit. The prepaid card customer creditworthiness is dependent on deposit history into an account. Factors to determine whether credit line is established at a time of a purchase transaction includes one or more of: i) a point of sale classification of a geographical location for the purchase transaction; ii) a transaction classification of a type of goods or services requested for purchase; iii) a transaction classification of the type of goods or services requested for purchase which are regularly purchased by the consumer; and iv) employment validation.

Independent claims 58, 64, and 70, have been amended to distinguish over Hogan taken alone and/or in view of Marcias to recite *inter alia*:

receiving, at a credit processing system, a plurality of deposit transactions
depositing funds into a first account linked to a prepaid card with a first account

identifier, wherein a history of the funds deposited into the first account are used to establish a credit line for the prepaid card;

establishing the credit line for the prepaid card to satisfy at least a portion of the purchase transaction, wherein the credit line is based solely upon transaction information for the first account as identified by the prepaid card, and wherein the transaction information includes at least the plurality of deposit transactions into the first account; and

authorizing, by the credit processing system, the purchase transaction in response to a balance of funds in the first account being:

- (i) greater than or equal to an amount of the purchase transaction and debiting the first account for the amount of the transaction, and
- (ii) less than the amount of the purchase transaction, debiting the first account for the balance of the funds in the first account and utilizing the credit line that was established in response to receiving the request for authorization to satisfy an amount equal to the amount of the purchase transaction less the balance of funds in the first account.

Support for this amendment to the specification is found at least in paragraphs [0021] through [0032] with emphasis on paragraph [0021], [0025], [0027] and [0032]. No new matter has been added.

The Examiner correctly states in the penultimate paragraph of page 5 of the February 4, 2009 Office Action:

Hogan fails to explicitly disclose wherein the first credit limit is based solely upon transaction information for the first account as identified by the prepaid card, wherein the transaction information consists of one or more of: i) the plurality of deposit transactions into the first account; ii) purchase transaction information for the first account; and iii) loan granting and repayment information for the first account, and no other financial information of an account holder associated with the first account.

The Examiner goes on to combine Hogan with Macias.¹ The Examiner states at the middle of page 6 of the February 4, 2009 Office Action:

Macias discloses wherein the first credit limit is based solely upon transaction information for the first account as identified by the prepaid card, wherein the transaction information consists of one or more of: i) the plurality of deposit transactions into the first account; ii) purchase transaction information for the first account; and iii) loan granting and repayment information for the first account, and no other financial information of an account holder associated with the first account. (Macias, abstract, Fig. 1, [0001] – [0014].)

Applicants respectfully disagree and traverse this rejection. Macias as described in the Abstract is:

An improved bank card which establishes an individual line of credit for each customer, as a result of agreement between the customer and the bank, and which serves to access the customers's [sic] checking and savings accounts in a manner defined by the customer before tapping into the line of credit. In essence, a combination of the features of a debit and credit card wrapped into one card.

Macias is providing a combined debit and credit card using multiple accounts. Out of the entire fourteen paragraphs in Macias, there are only two paragraphs in the detailed description, specifically paragraphs [0013] and [0014]. These two paragraphs are reproduced below in their entirety (emphasis added)

[0013] In that form of the present invention chosen for purposes of illustration, FIG. 1, shows a bank card, indicated generally at 10. As seen in FIG. 1, the bank card 10 is programmed at 12 by inputs from both the customer 14 and the bank 16 to indicate which of the customer's accounts are to be the primary, secondary and tertiary sources of funds for transactions made with the bank card 10 and the circumstances under which the line of credit is to be tapped. At the same time, the bank can determine the risk for each customer on an individual basis and apply an appropriate rate of interest for the line of credit which is substantially

¹ Applicants make no statement whether such combination is even proper.

higher than the rate paid on checking or savings accounts, yet is considerably lower than the rates normally charged for the unpaid balances of conventional credit card accounts. Thereafter, when the customer 14 uses the bank card for transactions at an ATM machine 18, store 20, Internet purchase 22, catalogue purchase 24 or the like, the bank card 10 instructs the charging machine 18, 20, 22 or 24 to charge the transaction, first, to the primary source selected by the customer. If the balance in the desired account is insufficient to cover the transaction, the bank 16 will notify the charging machine 18, 20, 22 or 24; whereupon, the bank card 10 instructs the charging machine 18, 20, 22 or 24 to apply the overage of the transaction to the secondary account, etc. and, finally, to tap the pre-established line of credit. It will be seen that any type of account can be used by the customer 14, subject to the rules and regulations of the bank 16 and its governing agencies. This provides the customer 14 with the maximum possible control and flexibility in the use of their money. Also, the bank can evaluate the risk for each customer, on an individual basis, and can determine the appropriate rate of interest for the line of credit. This enables the bank to maximize its income and minimize its risk.

[0014] Obviously, numerous variations and modifications can be made without departing from the spirit of the present invention. Therefore, it should be clearly understood that the forms of the present invention described above and shown in the figure of the accompanying drawing are illustrative only and are not intended to limit the scope of the present invention.

Macias is teaching multiple accounts tied to a single card. Applicants respectfully submit that the Examiner is incorrectly broadening the teachings of Macias. This use of multiple accounts is not the same as recited in the claim elements in independent claims 58, 64, and 70 of "establishing the credit line for the prepaid card to satisfy at least a portion of the purchase transaction, wherein the credit line is based solely upon transaction information for the first account as identified by the prepaid card, and

wherein the transaction information includes at least the plurality of deposit transactions into the first account."

The Examiner on page 8 of the February 4, 2009 Office Action states (underline added for emphasis): "*Applicant argues, the prior art fails to explicitly disclose the use of a single account. Contrary to applicant's assertion, there is not requirement in Marcia regarding the use of multiple accounts. Marcias states*

The advantages of the present invention are preferably attained by providing an improved bank card which establishes an individual line of credit for each customer, as a result of agreement between the customer and the bank, and which serves to access the customers's checking and savings accounts in a manner defined by the customer before tapping into the line of credit."

Therefore, by the Examiner's own cite, Marcias is explicit in his teaching of two or more accounts checking and savings tied to an improved bank card. The Applicants respectfully submit that the Examiner is mis-characterizing the explicit teachings of Marcias. Further, the Examiner's cite of *In re Sushi* is misplaced here because there are no other embodiments disclosed in this very short Marcias reference. The two paragraphs in the specification and the only embodiments are multiple accounts tied to a card and this is the stated problems in the summary that Marcias overcomes. See Marcias [001]-[0014] and FIG. 1. Accordingly, the independent claims present claims distinguish over Marcias for at least this reason.

Further, independent claims 58, 64, and 70, have been amended to distinguish over Hogan taken alone and/or in view of Marcias to recite *inter alia*

establishing the credit line for the prepaid card to satisfy at least a portion of the purchase transaction.

In contrast, Macias explicitly teaches in paragraph [0006] (underline added for emphasis) that "the customer to define the circumstances when that line of credit will be

tapped into" and [0010] *"A specific object of the present invention is to provide an improved bank card which establishes an individual line of credit for each customer, as a result of agreement between the customer and the bank, and which serves to access the customers's checking and savings accounts in a manner defined by the customer before tapping into the line of credit."* Stated differently, these credit lines described by Macias are defined prior to the transaction by the customer. Independent claims 58, 64, and 70 recite that the authorization for a credit extension is not by the customer but rather by the credit processing system at a time of a request for authorization. This patentable distinction of " at a time of a request for authorization" is further clarified in newly added dependent claim 83-85 which is described further below.

Moreover, the Federal Circuit has consistently held that when a §103 rejection is based upon a modification of a reference that destroys the intent, purpose or function of the invention disclosed in the reference, such a proposed modification is not proper and the prima facie case of obviousness can not be properly made. See *In re Gordon*, 733 F.2d 900, 221 USPQ 1125 (Fed. Cir. 1984). Here the intent, purpose and function of Hogan taken alone or in view of Macias is that the cardholder is filling out forms and preauthorizing credit lines prior to purchase transactions. In contrast, the intent and purpose of the present invention is for a credit extension made not by the cardholder but rather by the credit processing system and, at a time of a request for authorization. The present invention allows only the purchase transaction information in the prepaid card account to be used on deciding whether or not to extend credit. This distinction is important. The present invention provides services to a class of customer not served by Macias. Specifically, the present invention serves customers that cannot or choose not to establish credit through separate financial histories and financial background checks. In contrast, Hogan expressly teaches at col 5, lines 29-33 (emphasis added) that *"a financial institution receives an application from a customer desiring to obtain a financial transaction card having an installment loan feature."* Hogan goes on to state at col. 5, lines 44-45 and illustrates at steps 120 and 130 of FIG. 1A that *"If the consumer is not creditworthy the application is rejected in step 130."* Accordingly, Hogan requires that

an application be filled-out and the application be pre-approved to receive a loan feature. Similarly, Macias requires the establishment of a bank account and tying the card to one or more of these accounts. Under U.S. law, bank accounts can only be open if applications are filled out with a bank. See Macias paragraph [0013] *"As seen in FIG. 1, the bank card 10 is programmed at 12 by inputs from both the customer 14 and the bank 16 to indicate which of the customer's accounts are to be the primary, secondary and tertiary sources of funds for transactions made with the bank card 10 and the circumstances under which the line of credit is to be tapped."* Clearly, Macias is describing opening a typical bank account with a pre-established line of credit. Macias is completely silent on looking at the transaction histories of a single prepaid card account for establishing credit as recited in independent claims 58, 64, and 70 by *"wherein the first credit limit is based solely upon transaction information for the first account as identified by the prepaid card."* Further, under U.S. banking laws, a social security or other tax identifier must be used to establish an account. In contrast, no such requirement exists for a prepaid card. The present invention provides a service to a class of customers that can not or choose not to establish credit through separate financial histories and financial background checks. This group of customers includes both tourists, guest workers, and both legal and illegal resident aliens. The present invention solves this problem by looking only at transaction histories for the prepaid account. This combination, as suggested by the Examiner, destroys the intent and purpose of Hogan taken alone and/or in view of Macias authorization by a card holder prior to the purchase transaction. Accordingly, the present invention is distinguishable over Hogan and/or Macias for this reason as well.

Accordingly, with no teaching or suggestion found in Hogan taken alone and/or in view of Macias, the Examiner has failed to properly establish a *prima facie* case of obviousness of the invention as a "whole" as required under 35 U.S.C. 103. Applicants submit independent claims 58, 64, and 70 distinguish over Hogan taken alone and/or in view of Macias for the reasons stated above. The Examiner has failed to properly establish a *prima facie* case of obviousness as required under 35 U.S.C. 103.

Independent claims 58, 64, and 70 distinguish over Hogan taken alone and/or in view of Macias. Claims 59-63, 65-69 and 71-82 depend from independent claims 58, 64, and 70 respectively. Since dependent claims contain all the limitations of the independent claims, claims 59-63, 65-69 and 71-85 distinguish over Hogan taken alone and/or in view of Macias, as well.

Newly added dependent claims 76 - 85 have been added to clarify how purchasing information ties to the debit card account deposit history and also is used when establishing a credit line. Support for these newly added dependent claims is found at least in paragraphs [0021] through [0032] with emphasis on paragraph [0021], [0025], [0027] and [0032]. No new matter has been added.

Specifically, Hogan taken alone and/or in view of Macias are silent on (underline added for emphasis):

76. (New) The method according to claim 58, wherein the establishing the credit line further includes a point of sale classification of a geographical location for the purchase transaction.

77. (New) The method according to claim 76, wherein the establishing the credit line further includes a transaction classification of a type of goods or services requested for purchase.

78. (New) The method according to claim 77, wherein the establishing the credit line further includes a transaction classification of the type of goods or services requested for purchase are regularly purchased by the consumer:

79. (New) The method according to claim 78, wherein the establishing the credit line further includes employment validation:

80. (New) The method according to claim 58, wherein the establishing the credit line further includes extending credit even though an account holder associated with the first account has no bank account.

81. (New) The method according to claim 80, wherein the establishing the credit line further includes extending credit even though an account holder associated with the first account has no verifiable income.

82. (New) The method according to claim 81, wherein the establishing the credit line further includes extending credit even though an account holder associated with the first account has no permanent address.

This patentable distinction of "establishing the credit line for the prepaid card to satisfy at least a portion of the purchase transaction" at a time of a request for authorization"; or based on a last deposit; or based on a next anticipated deposit. is further clarified in newly added dependent claim 83-85. Support for this amendment is found in par. [0041]. No new matter has been added. Specifically, Hogan taken alone and/or in view of Macias are silent on (underline added for emphasis):

83. (New) The method according to claim 58, wherein the establishing the credit line further includes establishing the credit line at a time of a request for authorization of a purchase transaction.

84. (New) The method according to claim 58, wherein the establishing the credit line further includes establishing the credit line based on a last deposit.

85. (New) The method according to claim 58, wherein the establishing the credit line further includes extending credit based on a next anticipated deposit.

Accordingly, dependent claims 76-85 are allowable for these reasons as well which allowance is respectfully requested..

CONCLUSION

The prior art made of record and not relied upon was reviewed and Applicants believe that such prior art is not pertinent to Applicants' disclosure.

No amendment made was related to the statutory requirements of patentability unless expressly stated herein. No amendment made was for the purpose of narrowing the scope of any claim, unless Applicants have argued herein that such amendment was made to distinguish over a particular reference or combination of references.

Applicants acknowledge the continuing duty of candor and good faith to disclose information known to be material to the examination of this application. In accordance with 37 CFR §1.56, all such information is dutifully made of record. The foreseeable equivalents of any territory surrendered by amendment are limited to the territory taught by the information of record. No other territory afforded by the doctrine of equivalents is knowingly surrendered and everything else is unforeseeable at the time of this amendment by the Applicants and their attorneys.

The Commissioner is hereby authorized to charge any fees that may be required or credit any overpayment to Deposit Account 50-1556 (Attorney Docket Number 640-A01-004). In view of the preceding discussion, it is submitted that the claims are in condition for allowance. Reconsideration and re-examination is requested.

PLEASE CALL the undersigned if the Examiner believes that there are any informalities that can be corrected by Examiner's amendment, or that in any way it would help expedite the prosecution of the patent application.

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Respectfully submitted.

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